

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, COUNTY OF SANTA CLARA,
STATE OF CALIFORNIA, SUPPORTING A STATEWIDE BALLOT INITIATIVE TO REQUIRE VOTER
APPROVAL BEFORE STATE GOVERNMENT MAY CONFISCATE LOCAL TAX FUNDS

WHEREAS, the State annually seizes \$824 million of city property tax funds (ERAF), seriously reducing resources available for local public safety and other services and increasing pressure on cities to raise fees on new housing development, increasing the cost of housing; and

WHEREAS, in adopting the FY 2003-04 State budget, the Legislature and Governor confiscated local vehicle license fee backfull and redevelopment property tax funds that are needed to finance critical city services such as public safety, housing, and economic development; and

WHEREAS, the FY 2003-04 budget also relies on a deficit bond financing program that is predicated on a local property and sales tax swap that leaves cities vulnerable to future losses if the State's economic condition fails to improve, and

WHEREAS, the adopted budget assumes the State will continue to face an ongoing structural budget deficit of at least \$8 billion, putting local government financial resources at risk in future years; and

WHEREAS, it is abundantly clear that State leaders will continue to use local tax funds to balance the State budget unless the voters limit the power of the Legislature and Governor to do so; and

WHEREAS, research conducted by the League of California Cities in recent years indicates that an initiative that requires voter approval before the State government can confiscate local tax funds would likely be supported by an overwhelming number of voters; and

WHEREAS, the voters of California are the best judges of whether funds traditionally used to finance valuable community services should be diverted, confiscated, shifted or otherwise taken by the Legislature to finance an ever expanding State government; and

WHEREAS, the Board of Directors of the League of California Cities by unanimous roll call vote at its July 2003 meeting voted to sponsor a statewide ballot initiative to empower the voters to limit the ability of State government to confiscate local tax funds to fund State government; and

WHEREAS, the League Board of Directors has established a political action committee, known as "CITIPAC", to raise private funds to finance part of the cost of such statewide initiative campaign; and

WHEREAS, the League Board of Directors has requested that city officials across the State participate in this private fundraising to finance such a ballot measure campaign;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Milpitas that it supports such an initiative and encourages city officials and others in Milpitas to dedicate their personal time to the campaign to secure voter approval of the initiative; and

BE IT FURTHER RESOLVED that all city officials are called upon to unite and lend their valuable personal time and personal financial support to this campaign to provide the voters of California the power to re-establish limitations on the power of the Legislature and Governor to seize local tax funds that finance vital local services.

PASSED AND ADOPTED this 7th day of October, 2003, by the following vote:

AYES: ()

NOES: ()

ABSENT: ()

ABSTAIN: ()

ATTEST:

APPROVED:

Gail Blalock, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



September 23, 2003

Dear ABAG Member:

The results of the recent State budget allocations and legislative session have reinforced the need to pursue different strategies to achieve local government fiscal stability and tax relief. The Association of Bay Area Governments (ABAG) believes that the League of California Cities and the California State Association of Counties sponsorship of a ballot measure to protect local revenues and limit state takeaways is an important alternative strategy. The ABAG Executive Board voted unanimously to support the ballot measure and campaign efforts at its Board meeting on September 18, 2003.

In addition, the Executive Board fully endorsed recommendations that ABAG member city councils and boards of supervisors review and adopt similar resolutions, and that the Resolution be presented to ABAG membership at the annual ABAG Business Meeting during the Spring General Assembly in April 2004.

We urge you to review and hopefully adopt a similar resolution supporting this statewide ballot initiative. We have attached a copy of the Resolution for your review and consideration.

We look forward to working with you to raise awareness of the importance of this constitutional amendment. If you need additional information, please contact Patricia Jones, ABAG Assistant Executive Director, at 510/464-7933 or Kathleen Cha, ABAG Senior Communications Officer, at 510/464-7922.

Sincerely,

Gwen Regalia, President
Association of Bay Area Governments
Walnut Creek Mayor

Attachment: From the League of California Cities—A Copy of "Resolution Supporting a Statewide Ballot Initiative to Require Voter Approval before State Government May Confiscate Local Tax Funds"

Qualified Petitioned Resolution

3. RESOLUTION SUPPORTING A STATEWIDE BALLOT INITIATIVE TO REQUIRE VOTER APPROVAL BEFORE STATE GOVERNMENT MAY CONFISCATE LOCAL TAX FUNDS

Source: Board of Directors

WHEREAS, the state annually seizes \$824 million of city property tax funds (ERAF), seriously reducing resources available for local public safety and other services and increasing pressure on cities to raise fees on new housing developments, increasing the cost of housing; and

WHEREAS, in adopting the FY 2003-04 state budget the Legislature and Governor confiscated local vehicle license fee backfill and redevelopment property tax funds that are needed to finance critical city services such as public safety, housing and economic development; and

WHEREAS, the FY 2003-04 budget also relies on a deficit bond financing program opposed by the League that is predicated on a local property and sales tax swap that leaves cities vulnerable to future losses if the state's economic condition fails to improve; and

WHEREAS, the adopted budget assumes the state will continue to face an ongoing structural budget deficit of at least \$8 billion, putting local government financial resources at risk in future years; and

WHEREAS, it is abundantly clear that state leaders will continue to use local tax funds to balance the state budget unless the voters limit the power of the Legislature and Governor to do so; and

WHEREAS, research conducted by the League in recent years indicates that an initiative that requires voter approval before the state government can confiscate local tax funds would likely be supported by an overwhelming number of voters; and

WHEREAS, the voters of California are the best judges of whether funds traditionally used to finance valuable community services should be diverted, confiscated, shifted or otherwise taken by the Legislature to finance an ever expanding state government; and

WHEREAS, the Board of Directors of the League of California Cities by unanimous roll call vote at its July 2003 meeting voted to sponsor a statewide ballot initiative to empower the voters to limit the ability of state government to confiscate local tax funds to fund state government; and

WHEREAS, the League Board of Directors has established a political action committee, known as CITIPAC, to raise private funds to finance part of the cost of such statewide initiative campaign; and

WHEREAS, the Board has requested that city officials across the state participate in this private fundraising to finance such a ballot measure campaign; now, therefore be it

RESOLVED, by the General Assembly of the League of California Cities assembled in Annual Conference in Sacramento, September 10, 2003, that the action of the Board of Directors to sponsor such an initiative be ratified; and be it further

RESOLVED, that the Board invite the City Councils of the member cities of the League to adopt similar resolutions, supporting such an initiative and encouraging city officials and others to dedicate their personal time to the campaign to secure voter approval of the initiative; and be it further

RESOLVED, that all city officials are called upon to unite and lend their valuable personal time and financial support to this campaign to provide the voters of California the power to reestablish limitations on the power of the Legislature and Governor to seize local tax funds that finance vital local services.